

BASIS ALLOCATION FOR DISCOVERY HOLDING COMPANY (DHC), DISCOVERY COMMUNICATIONS, INC. (DCI OR DISCOVERY) AND ASCENT MEDIA CORPORATION (ASCM) COMMON STOCK

Record date 17-Sep-08

First trading date 18-Sep-08

DHC Series A Common Each share of DHC Series A common stock was exchanged for:
 .5 of a share of DCI A common stock and
 .5 of a share of DCI C common stock and
 .05 of a share of ASCM Series A common stock

DHC Series B Common Each share of DHC Series B common stock was exchanged for:
 .5 of a share of DCI B common stock and
 .5 of a share of DCI C common stock and
 .05 of a share of ASCM Series B common stock

Trade prices on date of exchange

	Hi	Lo	Average
DCI Series A	21.05	13.81	17.43
DCI Series B*	18.96	18.96	18.96
DCI Series C	18.5	12.8	15.65
ASCM Series A	33.81	27.21	30.51
ASCM Series B*			

Basis Allocation Series A*

	Average	Shares	Total	Percent
DCI Series A	17.43	0.5	8.715	48.24%
DCI Series C	15.65	0.5	7.825	43.31%
ASCM Series A	30.51	0.05	1.5255	8.44%

*As there was no trading activity for the DCI Series B prior to September 25, 2008, nor was there trading of the ASCM Series B shares prior to October 3, 2008, we are only providing an illustration of the basis allocation information regarding the DHC Series A common shares. There are several potential methods for determining the fair market values of the DCI and ASCM shares (generally and with respect to the Series B shares) for purposes of allocating tax basis following the transactions. Please consult your tax advisor regarding the allocation of basis amongst your shares.

This is not tax advice. Discovery is providing an example of how to allocate a shareholder's aggregate tax basis in DHC Series A common stock between his or her DCI Series A and C shares and ASCM Series A. This example is provided solely for illustrative purposes and as a convenience because shareholders and their tax advisors may find it useful when establishing their specific tax positions. Please remember that Discovery does not provide its shareholders with tax advice, and this illustrative example is not intended to provide tax advice. Discovery encourages its shareholders to consult with their own tax advisors with their specific questions pertaining to their own tax positions.